

Agency:	107 Health Care Authority
Decision Package Code/Title:	PL-IJ Autism Services
Budget Period:	2013-15 Biennial Submittal
Budget Level:	PL – Performance Level

Recommendation Summary Text

The Health Care Authority (HCA) is requesting \$15,168,000 (\$7,584,000 GFS) and 1 FTE in the 2013-2015 biennium for funding to add Applied Behavioral Analysis (ABA) therapy as a covered mental health service for children 20 years of age and younger who are members of the Apple Health for Kid's program. These services are a direct response to the negotiated settlement agreement from legal action taken against HCA (W.A.A.A vs. Porter). Nationally, state Medicaid programs have been losing their cases in the court setting and negotiating a settlement was determined the best option in light of the national precedence being set. These services are provided to ameliorate the core symptoms of conditions classified as Autism Spectrum Disorders (ASD) and to improve the child's level of function in communication and with behavior and social skills. A therapeutic response to these interventions will improve the child's quality of life by allowing the child to mainstream in school with peers and participate safely in community activities, and most importantly by preparing them to confront challenges encountered as they mature.

Funding will also be requested in the 2013 supplemental budget to provide annual 3-day trainings for physicians and psychologists to expand access to qualified providers, who can competently conduct standardized diagnostic testing, perform clinical evaluations and develop comprehensive treatment plans and to prepare these providers to serve the role as a Center of Excellence for autism spectrum disorders. There will also be other program start-up costs requested in the 2013 supplemental budget related to this program.

Package Description

A March 2012 report from the Center of Disease Control and Prevention (CDC) states that 1 in 88 children are diagnosed with a condition falling into the ASD. This is an increase from a previous rate of 1 in 110 children documented just a few years earlier and 1 in 150 prior to that. The etiology of these conditions has yet to be determined, therefore, trying to ameliorate the symptoms of this growing population is in the best public health interest.

In the summer of 2012, HCA negotiated a settlement agreement in response to a lawsuit against the HCA Medicaid program for failing to provide access to ABA services and providers. While not approved by the court yet, the settlement commits the agency to recognize ABA services as a covered service, implement a coverage policy and develop a network of licensed providers to render these services. If these services are not implemented, the result would be further legal action taken against HCA, as well as increased legal costs. Assistant Attorney General legal advisors advised against going to court and recommended negotiating a settlement for services to be provided under Apple Health for Kid's program.

ABA services are family-centered therapeutic interventions designed to deal with significant issues with communication, social interaction and injurious behaviors associated with conditions falling in the range of ASD. HCA does not currently cover ABA services. It is the intent of HCA's Medicaid program to add ABA services delivered by licensed or certified health care professionals to its scope of covered services.

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Program Description:

Effective January 1, 2013, any child 20 and under covered by the Apple Health for Kid's program may be eligible for ABA services when the service is prior authorized by the Agency. Primary care providers and other health care professionals can screen children and refer them to a qualified health care professional for a comprehensive evaluation and treatment plan. If ABA services are recommended, a functional assessment and ABA treatment plan is completed by a licensed, nationally board credentialed or educated ABA therapist. The time-limited treatment plan includes other services, and expected outcomes. ABA services will require re-authorization every 3 to 6 months and will be discontinued when no longer medically necessary or there is no progress towards the expected clinical outcome.

Case Management Services:

One FTE, at \$112K annually, is required to support this program and provide case management services for children and their families to navigate through the program requirements and facilitate access to the services planned under this program. This support was negotiated in the settlement to support overburdened, distraught parents trying to access timely, services for their child.

Center of Excellence Evaluations:

There are approximately 9,100 Apple Health for Kid's children 20 years of age and younger with at least one claim submitted with the diagnosis in the autism spectrum disorder range. This diagnosis must be confirmed by a qualified licensed physician or psychologist who is experienced and skilled in aptly conducting a standardized test, interpreting the results, evaluating the presence of other mental health disorders and developing a comprehensive multi-disciplinary treatment plan. Unfortunately, the demand for this service may exceed the supply to provide timely evaluations. It is reported that Seattle Children's Medical Center Autism Clinic has a 6 month backlog for evaluations and Mary Bridge Children's Hospital Autism Center has a similar backlog. The literature shows a child's response to therapy can be impacted by the age services start; therefore, timely access to this entrance evaluation is essential. The costs associated with these evaluations are \$790 per child.

Provider Training Needs:

An HCA sponsored 3-day CME-eligible training developed with staff from the University of Washington and Seattle Children's Medical Center Autism Clinic for clinicians interested in developing this skill set will increase access to this evaluation. Increasing capacity to testing and evaluation will serve all the children in Washington State, not just children covered under the Apple Health for Kid's program.

To recognize the commitment these providers made to attend a 3-day training and raising their skill set, HCA is proposing to pay this providers an additional \$55.00 per evaluation, following the model we currently have in place for ABCD dental providers who provide dental services for children 0-5. The funding for this training will be requested in the 2013 supplemental budget.

Questions related to this decision package should be directed to Clint Catron at (360) 725-1846 or Clint.Catron@hca.wa.gov.

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Questions related to the programmatic portion of this package should be directed to Gail Kreiger at (360) 725-1681 or Gail.Kreiger@hca.wa.gov

Fiscal Detail/Objects of Expenditure

	FY 2014	FY 2015	Total
1. Operating Expenditures:			
Fund 001-1 GF-State	\$ 3,792,000	\$ 3,792,000	\$ 7,584,000
Fund 001-2 GF-Federal	\$ 212,000	\$ 212,000	\$ 424,000
Fund 001-C GF-Federal Medicaid Title XIX	\$ 3,580,000	\$ 3,580,000	\$ 7,160,000
Total	\$ 7,584,000	\$ 7,584,000	\$ 15,168,000

	FY 2014	FY 2015	Total
2. Staffing:			
Total FTEs	1.0	1.0	1.0

	FY 2014	FY 2015	Total
3. Objects of Expenditure:			
A - Salaries And Wages	\$ 78,000	\$ 78,000	\$ 156,000
B - Employee Benefits	\$ 22,000	\$ 22,000	\$ 44,000
E - Goods And Services	\$ 11,000	\$ 11,000	\$ 22,000
G - Travel	\$ 1,000	\$ 1,000	\$ 2,000
N - Grants, Benefits & Client Services	\$ 7,472,000	\$ 7,472,000	\$ 14,944,000
Total	\$ 7,584,000	\$ 7,584,000	\$ 15,168,000

	FY 2014	FY 2015	Total
4. Revenue:			
Fund 001-2 GF-Federal	\$ 212,000	\$ 212,000	\$ 424,000
Fund 001-C GF-Federal Medicaid Title XIX	\$ 3,580,000	\$ 3,580,000	\$ 7,160,000
Total	\$ 3,792,000	\$ 3,792,000	\$ 7,584,000

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Covering ABA services for these children expands the types of treatment options available to ameliorate the extremely challenging symptoms of autism. The literature shows many children have responded favorably to ABA technique interventions allowing them to learn to effectively communicate; act safely and appropriately in social settings; mainstream in school, find a job; and

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perform self-care and other activities of daily living independently. Failure to provide these services may result in the child never finding the optimal level of function they could achieve in communication or with behavior and social skills, which are essential to being an independent adult and a contributing member of society. Without these services, these individuals will require high levels of assistance from a wide range of services as they age, including, but not limited to, housing, food benefits, health care services, and personal care services. The demand for services will be a strain on the state budget and other state resources; the demand could actually exceed the supply available statewide if indeed 1 in every 88 children born are affected.

Twenty-nine other states have mandated ABA service for commercial insurance benefits; HCA can lead the way in Washington State for other payers by covering these services and giving these children an opportunity to change the direction of their life. Utilization of the services can be managed through utilization review and prior authorization requirements that provide an opportunity to assess response to treatment and discontinue services that are not proving to be beneficial.

Performance Measure Detail

Activity Inventory

H001 HCA Administration

H008 HCA Children's Health Program Clients

H010 HCA Healthy Options

H011 HCA All Other Clients - Fee for Service - Mandatory S

H012 HCA All Other Clients - Fee for Service - Optional Sen

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this decision package is essential to implementing at least one strategy identified in the HCA's strategic plan. By making this a covered service for children and studying the effectiveness of the treatment, HCA will be promoting the health of future Washington state adult citizens and creating an opportunity to develop evidence as to what treatment approaches are most effective for addressing the challenge of autism spectrum disorders.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package is essential to meet several of the Governor's health care priorities. It is most directly associated with the priority of providing access to health care and contributes to achieving the goal that payers provide equal access to mental health services.

It also supports the priority of creating a health care system that works. The services to be delivered under this program are aimed at health promotion and prevention, while providing an opportunity to conduct a study and establish what treatments are effective for autism spectrum disorders.

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Additionally, the development of the competency under which this diagnosis is made and outcome oriented treatment plans are developed supports the priority of ensuring access to safe, high quality health care providers for Washington state citizens.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes, it should contribute to statewide results and rank a high priority in the POG process. Adding ABA services to the list of covered services will provide access to these services for all children covered under the Apple Health for Kid's program. In addition, the Public Employee Benefit Board's health care plan administered by Regence which is adding seeking to add this benefit to their scope of covered services will benefit from the provider recruitment and network development Medicaid undertakes. HCA will be leading the way for other payers to provide similar coverage that will promote the health of future Washington state adult citizens.

What are the other important connections or impacts related to this proposal?

Other important connections or impacts related to this proposal include:

- The provision of services and the program under which the services will be delivered was negotiated in a settlement agreement in response to legal action taken against HCA (W.A.A.A. vs. Porter) earlier this year.
- There is a current Health Technology Assessment Committee decision that the evidence to support ABA service is not sufficient to support coverage. This program allows HCA to cover these services under a structured program, with monitoring and oversight, while also collecting data to contribute to a study that could determine the most effective treatment interventions. The University of Washington Autism Center is interested in designing and conducting this effectiveness study.
- Much of Medicaid's program design is consistent with the recommendations made in the 2007 report to the Governor and Legislature "Caring for Washington Individuals with Autism Task Force".
- The HCA has reached out to a broad group of stakeholders for input, this includes:
 - Seattle Children's Medical Center Autism Center
 - The University of Washington Autism Center
 - The University of Southern California, Los Angeles (UCLA) Autism Center
 - Other State Medicaid's with programs: Tennessee, Indiana, Minnesota, Florida, Idaho
 - Commercial payers with programs: Aetna, Tri-care, Microsoft
 - Department of Health
 - Department of Social and Health Services
 - Practicing Applied Behavior Analysts
 - Practicing neurologists, developmental pediatricians, psychiatrists, psychologists, pediatric neurologists, and other interested physicians

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- Additional contacts are scheduled with community providers to build a network of qualified providers to render the services described above.
- By Federal rule HCA can only pay health care professionals who are licensed or certified by the Department of Health. Many individuals who provide ABA services are not eligible for licensure or certification by DOH under current laws and are discontent that they are not qualified to be a provider. They may organize an effort to seek changes to applicable RCWs that will allow licensure by DOH.

What alternatives were explored by the agency, and why was this alternative chosen?

The alternative option considered was to allow the legal action (W.A.A.A. vs. Porter) to be resolved through court proceedings, which could result in an adverse decision for the HCA and a court ordered program. There was a high risk for this outcome given national precedence. The state of Florida had just lost their court action and other state Medicaid programs had previously suffered defeat about declaring ABA services as non-covered. In addition, there were six other legal actions in Washington State against payers, including one against HCA's Public Employee Benefit Board program. Assistant Attorney General legal advisors advised against going to court and recommended negotiating a settlement for services to be provided under the Apple Health for Kid's program.

Consideration was also given to using the Children's Intensive In-home Behavior Support (CIIBS) waiver to provide these services via the Department of Social and Health Services. However, this was not a feasible option because the benchmark to meet eligibility does not support access for all children. The pitfalls are:

- Children must be enrolled in the Division of Developmental Disabilities,
- The waiver can't exceed 100 enrolled children,
- The current program only serves children 8 years of age and older and
- The children must have a high to severe risk for out of home placement.

In addition, because of the limited access to these services under the CIIBS waiver program and the increasing interest in making this a covered service under Medicaid locally and nationally, HCA anticipated an onslaught in requests for services under the provisions of the Early Periodic Screening, Diagnosis and Treatment program (EPSDT). HCA would still need a process to manage these requests, determine medical necessity, enroll providers and access authorized services through participating licensed providers. All of the work required to implement this program for January 1, 2013 would still need to be completed and required funding would not be secured through the decision package process; changes in expenditures would have to be addressed in the forecast process.

Consequently, the decision was made to move forward with the AAG's recommendation to negotiate a settlement for services to be provided under the Apple Health for Kid's program.

What are the consequences of not funding this package?

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If funding is not provided, the HCA will still need to consider these services as an EPSDT service that under federal law must be paid for when the service is medically necessary. Effort would still have to be spent to develop a program for managing these requests for services, to define services, to enroll providers and to develop tools to support medical necessity reviews. Services will still end up being provided and an unpredicted increase in expenditures would be reported in the forecast process to be addressed.

It is also likely that Plaintiffs and their representatives will view the HCA as not compliant with the settlement agreement and seek additional court action, which could result in a court order to implement services with the court overseeing the program design and dictating how the services will be delivered. This result will add an additional level of resource commitment to the development of the program, assuring the program design meets the expectations of the court and complying with court ordered documentation.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

HCA is not requesting any legislation to support the implementation of the new service described in the decision package.

To implement this benefit the HCA will need to:

- Submit a State Plan Amendment describing the service to be added for CMS approval;
- Write a new Washington Administrative Code (WAC);
- Identify procedure codes for billing;
- Establish rates;
- Publish provider memos;
- Notify clients of the availability of this new service; and
- Develop and distribute provider enrollment packets for the new mental health provider type.

Expenditure and Revenue Calculations and Assumptions.

Revenue Calculations and Assumptions:

	FY 2014	FY 2015	Total
4. Revenue:			
Fund 001-2 GF-Federal	\$ 212,000	\$ 212,000	\$ 424,000
Fund 001-C GF-Federal Medicaid Title XIX	\$ 3,580,000	\$ 3,580,000	\$ 7,160,000
Total	\$ 3,792,000	\$ 3,792,000	\$ 7,584,000

Revenue expected from 50/50 split for Medicaid clients receiving services.

Expenditure Calculations and Assumptions:

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HCA plans to hire 1.0 FTE to support this program and provide case management services for children and their families to facilitate access to the evaluation services, the ABA assessment and prior authorizations for the requested ABA services.

Assumptions:

HCA assumes 1,000 children will be referred to the Center of Excellence (COE) within a two-year timeframe. Of the thousand, 840 will be referred onto the Home and Community program, model 1. The capacity for this model will be higher because it's not restricted to one site. The remaining 160 will be referred to the Day program, model 2. Below are the costs for each treatment of service.

Number of children		Cost of treatment service						
1000	\$ 790,000	\$ 790	Center of Excellence (COE) dianostic evaluation.					
840	\$ 504,000	\$ 600	Functional assessment.					
840	\$ 504,000	\$ 600	Planning development, and ongoing treatment analyses.					
840	\$ 2,016,000	\$ 2,400	Supervision and follow up. Rate= \$50/hr, 4 hrs month.					
840	\$ 1,008,000	\$ 1,200	Parent training. Rate= \$50/hr, 2 hrs month.					
840	\$ 8,400,000	\$ 20,000	Model 1 - Home and community based program.					
	\$ 12,432,000							
160	\$ 24,000	\$ 300	Evaluations and testing					
160	\$ 16,000	\$ 200	Supervision and follow up visits.					
160	\$ 1,680,000	\$ 21,000	Model 2 - Facility based program					
	\$ 1,720,000							
TOTAL	\$ 14,942,000							

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

HCA assumes these costs will be ongoing until the capacity meets the demand for services to autistic children. This will occur when the 9,100 pre-identified children, as well as any newly diagnosed children have been evaluated. It is estimated that costs will decrease in the future.

Budget impacts in future biennia:

The funding will continue and is ongoing, but will probably decrease once the 9,100 pre-identified children have been evaluated and an age appropriate treatment plan implemented. This trend is consistent with what was seen in other state Medicaid Programs, e.g. TennCare. The number of children will decrease after the 9,100 have been treated, but will eventually stabilize.